

**STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of the Office of Financial & Insurance Regulation

In the matter of:

Cash Advance USA, Inc.

Enforcement Case No. 12-11597

License No. DP-0013963

Respondent.

_____ /

Issued and entered
this 14th day of November 20 12
by Stephen R. Hilker
Senior Deputy Commissioner


**ORDER REQUIRING COMPLIANCE WITH STIPULATION TO ENTRY OF ORDER
AND PAYMENT OF FINES**

Based upon the Stipulation to Entry of Order and the files and records of the Office of Financial and Insurance Regulation (OFIR) in this matter, the Senior Deputy Commissioner finds and concludes that:

1. The Senior Deputy Commissioner has jurisdiction and authority to adopt and issue this Order Requiring Compliance with Stipulation to Entry of Order and Payment of Fines in this proceeding pursuant to the Michigan Administrative Procedures Act of 1969 (APA), as amended, MCL 24.201 *et seq.*, and the Deferred Presentment Service Transactions Act (Act), 2005 PA 244, MCL 487.2121 *et seq.*
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
4. All applicable provisions of the APA have been met.
5. Respondent violated Sections 34(7), 34(8), 35(1), and 37(2) of the Act, MCL 487.2154(7), 487.2154(8), 487.2155(1), and 487.2157(2) and knew or reasonably should have known of the violations.

Now therefore, based upon the Stipulation to Entry of Order and the facts surrounding this case,
IT IS ORDERED THAT:

- A. Respondent shall pay to the State of Michigan, through OFIR, administrative and civil fines in the amount of \$5,000. Respondent shall further pay the fines according to the terms set forth in the Stipulation to Entry of Order.
- B. Respondent shall not engage in any violations of sections of the Act identified in paragraph 5 of this Order.
- C. On each business day, Respondent shall conduct checks of all deferred presentment service contracts to make certain that closed transactions are timely entered into the Veritec database, and all transactions, including repayment plans, are properly reported to the Veritec database, in compliance with the Act.
- D. On each business day, Respondent shall conduct a review of its deferred presentment service transactions to determine if the transactions have been reported to the Veritec database, by comparing its daily transactions to the transactions that have been reported to the Veritec database.
- E. The Senior Deputy Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as shall be deemed just, necessary, and appropriate in accordance with the Act.
- F. Respondent shall comply with all the terms and requirements of the Stipulation to Entry of Order. Failure to abide by the terms and provisions of the Stipulation to Entry of Order and this Order will result in suspension and/or revocation of all licenses and registrations under the Act held by Respondent and its owners and in the denial of any license or registration renewal and the denial of future applications for any licensure or registration of Respondent and its owners as set forth in the Stipulation to Entry of Order.


Stephen R. Hilker
Senior Deputy Commissioner

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial & Insurance Regulation

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OFIR/OGC

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STIPULATION TO ENTRY OF ORDER

Cash Advance USA, Inc. (Respondent) and the Office of Financial and Insurance Regulation (OFIR) stipulate to the following:

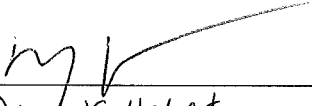
1. On or about October 1, 2012, OFIR served Respondent with a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondent violated provisions of the Deferred Presentment Service Transactions Act (Act), 2005 PA 244, MCL 487.2121 *et seq.*
2. The NOSC contained allegations that Respondent violated the Act, specifically Sections 34(7), 34(8), 35(1), and 37(2) of the Act, 487.2154(7), 487.2154(8), 487.2155(1), and 487.2157(2), and set forth the applicable laws and the penalties which apply.
3. Respondent exercised its right to an opportunity to show compliance pursuant to the Michigan Administrative Procedures Act (APA), MCL 24.201 *et seq.*
4. OFIR and Respondent have conferred for purposes of resolving this matter and have agreed this matter may be resolved pursuant to the terms set forth below.
5. At all pertinent times, Respondent was licensed with OFIR as a deferred presentment service provider pursuant to the Act.
6. Respondent does not dispute that it was previously advised of its lack of compliance with the Act.
7. Respondent acknowledges Section 48(1) of the Act, MCL 487.2168(1), states if the Commissioner finds that a person has violated the Act and knew or reasonably should have known that he or she was violating the Act, then the Commissioner may order a person to pay a civil fine of not less than \$5,000.

8. Respondent agrees to, on each business day, conduct checks of all deferred presentment service contracts to make certain that closed transactions are timely entered into the Veritec database, and all transactions, including repayment plans, are properly reported to the Veritec database, in compliance with the Act.
9. Respondent agrees to, on each business day, conduct a review of its deferred presentment service transactions to determine if the transactions have been reported to the Veritec database, by comparing its daily transactions to the transactions that have been reported to the Veritec database.
10. Respondent agrees that it will pay to the State of Michigan, through OFIR, administrative and civil fines in the amount of \$5,000. Respondent agrees to make the first payment of \$1,000 on or before December 1, 2012.
11. Respondent further agrees to pay the remaining \$4,000 balance in installment payments of \$1,000 per month on the first of every month until the balance is paid in full, with the first payment in the amount of \$1,000 commencing on January 2, 2013.
12. Respondent agrees that in the event it fails to make a payment pursuant to paragraphs 10 and 11, the remaining balance owed shall be paid in full on the 5th day of the month in which a payment is not timely paid to OFIR pursuant to paragraphs 10 and 11.
13. Respondent agrees that failure to timely pay the civil fine in the manner prescribed herein is a violation of the Order and will result in further administrative actions as set forth below.
14. Both parties have complied with the procedural requirements of the APA and the Act.
15. Respondent understands and agrees that this Stipulation to Entry of Order will be presented to the Senior Deputy Commissioner for approval.
16. The Senior Deputy Commissioner may, in his sole discretion, decide to accept or reject the Stipulation to Entry of Order. If the Senior Deputy Commissioner accepts the Stipulation to Entry of Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Order Requiring Compliance with Stipulation to Entry of Order and Payment of Fines. If the Senior Deputy Commissioner does not accept the Stipulation to Entry of Order, Respondent waives any objection to the Commissioner holding a formal administrative hearing and making his decision after such hearing.
17. Respondent has had an opportunity to review the Stipulation to Entry of Order and the proposed Order Requiring Compliance with Stipulation to Entry of Order and Payment of Fines and have the same reviewed by legal counsel.
18. It is further stipulated that failure to pay the administrative and civil fines as set forth above shall result in a suspension or continued suspension of all licenses and registrations

under the Act held by Respondent, and suspension or continued suspension of all licenses and registrations under the Act held by its **executive officers and each person, as defined in the Act, who directly or indirectly owns or controls 10% or more of the ownership interest of the Respondent (owners)**, and in the denial of any license or registration renewal and the denial of future applications for any licensure or registration of both Respondent and its owners until compliance is made with the terms of this Stipulation. In addition, if Respondent fails to pay the administrative and civil fines in accordance with the terms of this Stipulation and Order, then the **administrative and civil fines shall increase to the maximum amount allowed under the Act.**

19. It is further stipulated that failure to pay the administrative and civil fines as set forth above within six (6) months of the invoice date shall result in a revocation of all licenses or registrations held under the Act by Respondent, **and its owners**, or in the denial of any license or registration renewal and the denial of future applications for licensure or registration until compliance is made with the terms of this Stipulation to Entry of Order.
20. Respondent understands and intends that by signing this Stipulation to Entry of Order, Respondent is waiving the right, pursuant to the Act, the rules promulgated thereto, and the MAPA, to a hearing before an administrative law judge, at which the OFIR would be required to prove the charges set forth by presentation of evidence and legal authority and at which Respondent would be entitled to appear to cross-examine all witnesses presented by the OFIR and to present such testimony or other evidence or legal authority deemed appropriate as a defense to said charges.

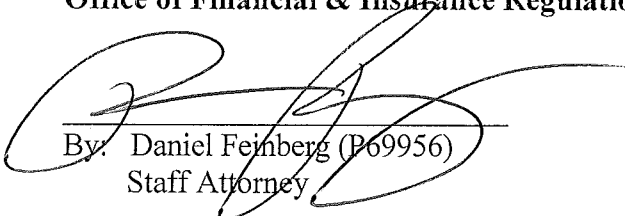
Cash Advance USA, Inc.


By: Danny Kallagert
Its: President

11.1.12
Dated

OFIR Staff approve this Stipulation to Entry of Order and recommend that the Commissioner issue an Order Requiring Compliance with Stipulation to Entry of Order and Payment of Fines.

Office of Financial & Insurance Regulation


By: Daniel Feinberg (P69956)
Staff Attorney

11/19/12
Dated